

# Debtors' Ex. 59



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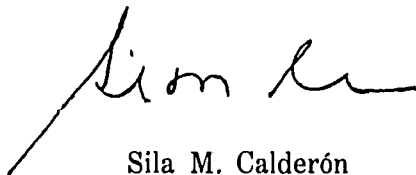
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Commonwealth of Puerto Rico  
DEPARTMENT OF STATE  
San Juan, Puerto Rico

I, Sila M. Calderón, Secretary of State of Puerto Rico, DO HEREBY CERTIFY: That the copies of the Acts and Resolutions of the Third Regular Session and the Ninth, Tenth and Eleventh Special Sessions of the Tenth Legislature of the Commonwealth of Puerto Rico, February 11 to October 11, 1987, herein inserted, are correct transcripts of such copies of the text of the original of such Acts and Resolutions, according to certification submitted to the Secretary of State by the publishers.

Given under my hand at San Juan, Puerto Rico, this 9th day of October in the year of our Lord one thousand nine hundred and eighty-nine.

A handwritten signature in black ink, appearing to read 'Sila M. Calderón', with a long, sweeping horizontal stroke extending to the left.

Sila M. Calderón  
Secretary of State

## ACTS

### Commonwealth—Notes in Anticipation of Taxes and Revenues; Authorization

(H.B. 1214)

[No. 1]

[Approved June 26, 1987]

#### AN ACT

To authorize the issue of notes in advance of taxes and revenues of the Commonwealth of Puerto Rico to be collected in cash during such fiscal year, to establish the maturity date of these notes and the maximum limit of the authorized issue, and to create the Special Fund for the Redemption of Notes in Advance of Taxes and Revenues.

#### STATEMENT OF MOTIVES

The Legislature of Puerto Rico has determined that it is necessary and convenient to authorize the Secretary of the Treasury to issue notes in advance of taxes and revenues of the Commonwealth of Puerto Rico from time to time, with the purpose of providing the Secretary of the Treasury, regarding the program of handling the cash flow designed to use the funds of the General Fund efficiently, the liquidity mechanism to pay the budgetary appropriations made for the current fiscal year in advance of the receipt of taxes and revenues to be collected in cash during such fiscal year.

*Be it enacted by the Legislature of Puerto Rico:*

Section 1.—Authorization of Notes in Advance of Taxes and Revenues.

The Secretary of the Treasury is hereby empowered to issue notes in advance of taxes and revenues of the Commonwealth of Puerto Rico from time to time, including notes issued to renew other notes issued under the provisions of this act, to pay the budgetary appropriations made for the current fiscal year in advance of the receipt of taxes and revenues to be collected in cash during such fiscal year according to the budget estimates of the Commonwealth of Puerto Rico, and to pay the expenses related to the sale and issue of such notes.

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**Section 2.—Details of the Notes in Advance of Taxes and Revenues.**

(a) The notes to be issued from time to time under the provisions of this act shall be authorized by a resolution or resolutions to be adopted by the Secretary of the Treasury and approved by the Governor. Said notes shall be designated “Notes in Advance of Taxes (and/or Revenues) of the Commonwealth of Puerto Rico, Series \_\_\_\_\_,” with a year, or letter, or both inserted to identify the particular issue.

(b) The notes authorized under the provisions of this act shall be dated, shall mature in such date or dates that shall not exceed thirty (30) days after the close of the fiscal year in which such notes are issued (provided that no note issued to renew another note issued under the provisions of this act shall mature later than said deadline), shall bear interest at such rate or rates, or provide a formula or formulas to determine said rate or rates of interest which shall not exceed the legally authorized rate at the time said notes are issued, may be redeemable before their maturity at the option of the Secretary of the Treasury on such date and prices as he may determine, shall be in such denomination and shall be issued in such form or forms, including those coupons bonds, registered bonds with or without coupons, and bonds without certificates, shall have such registration, conversion and reconversion privileges, shall be payable in such places in or outside of the Commonwealth of Puerto Rico, shall be subscribed in such manner and may contain such other terms and conditions, all pursuant to the provisions of the resolution or resolutions adopted by the Secretary of the Treasury and approved by the Governor prior to issuing said notes.

(c) No resources corresponding to a subsequent fiscal year may be used to liquidate notes issued in previous fiscal years.

(d) The notes authorized by this act may be sold from time to time in public or private sale for such price or prices which the Secretary of the Treasury, with the approval of the Governor, may determine to be in the best interests of the Commonwealth of Puerto Rico, but at no time shall such price or prices be lower than the price established by law at the time the notes are issued.

(e) Whenever any official whose signature or facsimile thereof appears on any note or coupon authorized by this act is no longer in office before the delivery of such notes, such signature or facsimile shall, nevertheless, be valid and sufficient, it being

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deemed for all legal purposes as if such official had remained in office until such delivery, besides, any note or coupon may bear the signature or facsimile of such person who at the time said note or coupon is signed is the proper official to sign it even though said person may not hold said office on the date of the note or coupon.

(f) The notes issued under the provisions of this act shall be deemed to be negotiable instruments under the laws of the Commonwealth of Puerto Rico.

(g) The total of the principal of the notes issued pursuant to the provisions of this act and outstanding at any time with regard to any fiscal year shall not exceed \$800 million.

#### Section 3.—Purchase Agreements of Notes.

The Secretary of the Treasury is hereby authorized to negotiate and execute with any bank, investment firm or other financial institution, pursuant to the resolution or resolutions adopted by the same Secretary and approved by the Governor, such contracts, purchase agreements or other financing agreements as may be required for the sale of notes, under such terms and conditions as the Secretary of the Treasury may determine to be most convenient, in the best interests of the Commonwealth of Puerto Rico.

#### Section 4.—Payment of Notes in Advance of Taxes and Revenues.

The Secretary shall specify in the resolution that authorizes the issue of the notes those specific taxes or revenues in advance of which the notes are issued. All taxes and revenues thus specified and received after the notes are issued and before the close of the fiscal year in which the notes were issued, except those taxes required to be deposited in the fund known as the "Special Fund for the Amortization and Redemption of General Obligations Evidenced by Bonds and Notes", shall be paid to a special fund known as the "Special Fund for the Redemption of Notes in Advance of Taxes and Revenues", until the amount deposited in said fund is sufficient to pay the principal and redemption premium, if any, upon maturity and the interest on the notes in advance of taxes and revenue. All the money in said fund that does not exceed the amount required for such purpose shall be used to pay the principal and redemption premium, if any, and the interest on the notes or any note issued to renew said notes, and shall not be used for other purposes. The good faith, credit and taxing power of the Commonwealth of Puerto Rico are not committed for the payment of notes issued under the provisions of this act, and said notes shall only be payable from the funds deposited in the Special Fund provided for in this section.

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Section 5.—Notes in Advance of Taxes and Revenue Shall Not Be Subjected to the Constitutional Debt Limit.

The notes issued under the provisions of this act shall not be considered direct obligations of the Commonwealth of Puerto Rico for the payment of which the good faith, credit and taxing power of the Commonwealth of Puerto Rico are committed for the purpose of determining the debt limit established in Section 2 of Article VI of the Constitution of the Commonwealth of Puerto Rico.<sup>1</sup>

Section 6.—Use of the Proceeds of the Sales of Notes.

The proceeds of the sale of notes issued under the provisions of this act (excluding accrued interest, but including any premium) shall be deposited in the General Fund and the proceeds of the sale of any renewal notes shall be used to pay the notes that are being renewed. An amount not to exceed two (2) percent of the principal of any issue of notes, which [*sic*] shall be set aside for the payment of expenses incurred with regard to the issue and sale of said notes. The accrued interest received in the delivery of and the payment for any note issued under the provisions of this act shall be deposited in the Special Fund established in Section 4 of this act.

Section 7.—Tax Exemption.

All notes issued under the provisions of this act, as well as the interest accrued on said notes, shall be exempted from the payment of any tax imposed by the Commonwealth of Puerto Rico and its municipalities.

Section 8.—Construction of this Act.

This act shall not be construed as repealing or amending any other former act of the Legislature of Puerto Rico authorizing the issuing of notes of the Commonwealth of Puerto Rico. The authorization granted by this act shall be in addition to and separate from any other authorizations to issue other notes of the Commonwealth of Puerto Rico that have been granted previously.

Section 9.—Reports.

The Secretary of the Treasury shall submit to the Governor and the Legislature on or before the beginning of each Regular Session a detailed report of the amount and number of issues of notes, rates of interest and the maturity dates thereof, and the total of the

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<sup>1</sup> L.P.R.A. prec. T. 1.

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principal of the outstanding notes, executed during the previous fiscal year pursuant to the provisions of this act.

Section 10.—Effective Date.—This act shall take effect immediately after its approval.

*Approved June 26, 1987.*

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## Labor—Employment Security; Amendments

(H.B. 1256)

[No. 2]

*[Approved July 13, 1987]*

### AN ACT

To amend subsections (a), (b) and (c) and to eliminate paragraph (4) of this last subsection of Section 3; to modify the title, to amend subsections (a), (b) and (c), eliminate paragraph (2) of this last subsection, to redesignate paragraphs (3) and (4) as paragraphs (2) and (3) of Section 22 of the Puerto Rico Employment Security Act, Act No. 74 of June 21, 1956, as amended.

### STATEMENT OF MOTIVES

The current provisions of law establish differences for the adjudication of benefits to agricultural and nonagricultural workers and even for those that work in the other various phases of agriculture. To preserve the remedial nature of this act, it is essential to correct those differences in order to authorize a comparable adjudication of benefits to these workers eliminating as a criteria work source.

These are the purposes of this act.

*Be it enacted by the Legislature of Puerto Rico:*

Section 1.—Subsections (a), (b) and (c) are hereby amended and paragraph (4) of this last subsection of Section 3 is hereby eliminated, all from the Puerto Rico Employment Security Act, Act No. 74 of June 21, 1956, as amended,<sup>2</sup> to read as follows:

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<sup>2</sup> 29 L.P.R.A. § 703(a)-(c).